



# **NATIONAL SECURITY PERSONNEL SYSTEM (NSPS) OVERVIEW BRIEFING**

*Flexibility - Accountability - Excellence*

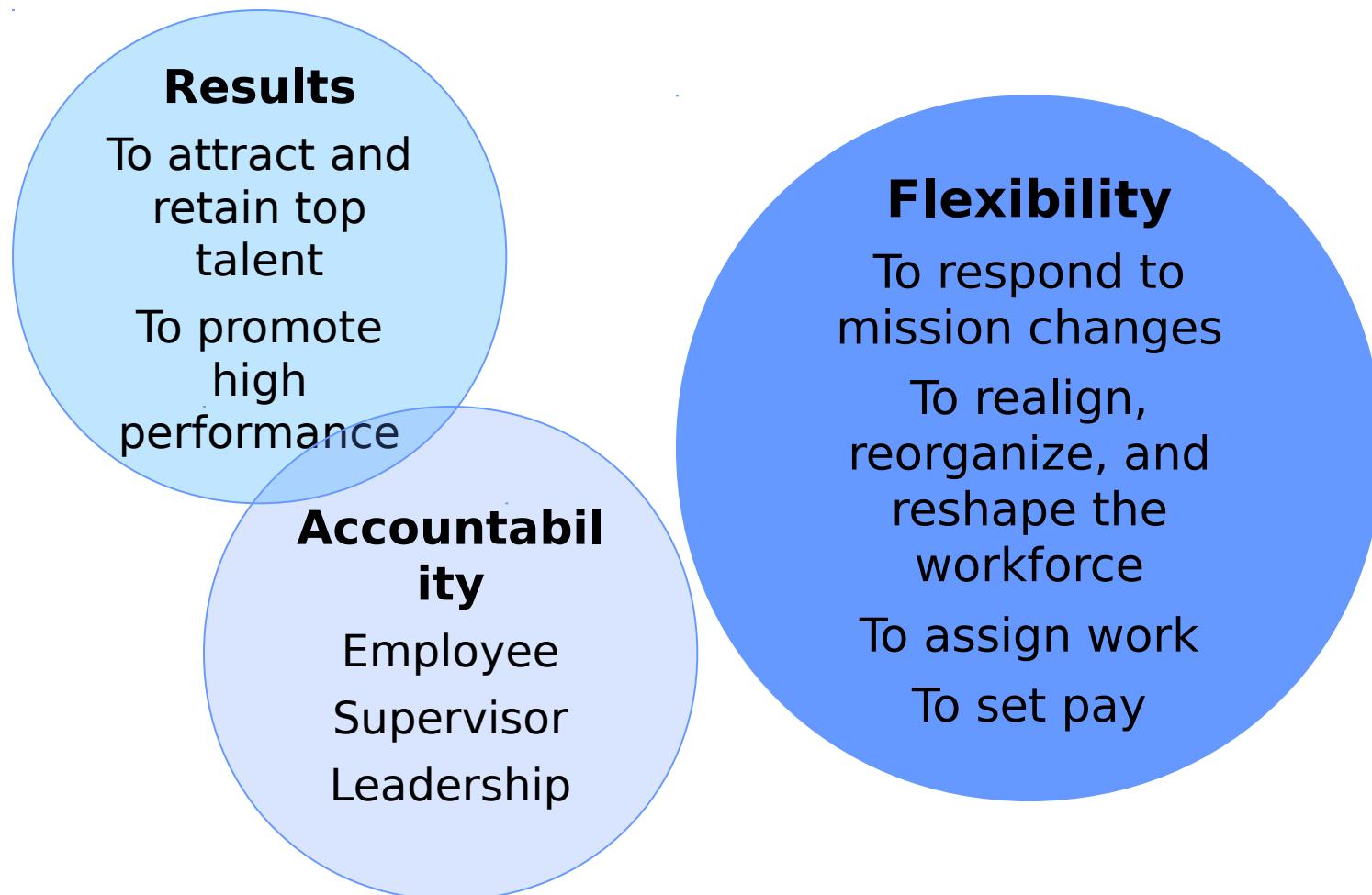


## What NSPS Does Not Change

- Merit system principles
- Rules against prohibited personnel practices
- Whistleblower protection
- Veterans' preference
- Benefits (retirement, health, life, etc.)
- Antidiscrimination laws
- Fundamental due process
- Overseas entitlements
- Training
- Leave and work schedules
- Other personnel systems in law
- Lab demo organizations (until FY 08)
- Fair Labor Standards Act



# NSPS Goals





# HR Design Highlights

Classification-simple, flexible

- Career Groups
- Pay Schedules
- Broad Pay Bands
- Simplified Classification guidance
- DoD occupations

Compensation-performance based, market sensitive

- Rate range adjustments
- Performance payouts
- Local market supplements
- No change to incentive awards

Performance Management-

- High-performing workforce
- Pay increases
- Includes conduct and professional demeanor
- Job Objectives linked to Mission



# HR Design Highlights (continued)

Staffing—the right person, in the right place, at the right time

- DoD hiring authorities
- Ability to streamline the hiring process
- Paysetting flexibilities
- DoD qualification requirements
- Veterans' preference rights protected

Workforce Shaping—streamlined, mission responsive

- Less disruption
- More emphasis on performance
- Eliminates “Bump and retreat”
- Veterans’ preference rights protected



# Spirals

<b>Spiral</b>	<b>Coverage</b>
Spiral 1.1, Apr 2006	CHRA (CONUS, AK, HI) (2,400 employees)
Spiral 1.2, Oct 2006	MEDCOM, OSA, MDW, USASOC & TBD
Spiral 1.3, Jan 2007	AMC, OSA, OCONUS CHRA & TBD
Spiral 1.4, Oct 2007	To be determined
Spiral 2, FY07 (?)	All other Army activities except exempted Lab Demos
Spiral 3, FY08 (?)	Lab Demos

## Conversion to NSPS

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- Conversion will be an automated process
  - Employees converted “in place”
  - No change in job descriptions
  - Preview available in NSPS 101
- **No** loss in pay
- Based on the classification of the current position of record
- Existing PDs will require minor updates (from old pay plan & grade to new) BUT no changes to contents/format



# Conversion Chart (extract)

<b>Nonsupervisory Pay Schedules</b>	<b>Pay Band 1</b>	<b>Pay Band 2</b>	<b>Pay Band 3</b>	<b>Pay Band 4</b>
YA - STND - Prof / Analytical	GS-5 to 8 GS-9 to 11*	GS-9 to 13	GS-14 to 15	N/A
YB - STND - Tech / Support	GS-1 to 6	GS-7 to 10	GS-11 to 12	N/A
YP - STND - SEEP PGM (Student)	GS-1 to 11	N/A	N/A	N/A
YD - E&S - Prof	GS-5 to 8 GS-9 to 11*	GS-9 to 13	GS-14 to 15	N/A
YE - E&S - Tech / Support	GS-1 to 6	GS-7 to 10	GS-11 to 12	GS-13

\* Positions with a target grade above the current grade are converted to pay band 1

See Handbook for complete Conversion Table



# Sample Conversion Chart: Supervisory Pay Schedules

<b>Supervisory Pay Schedules</b>	<b>Pay Band 1</b>	<b>Pay Band 2</b>	<b>Pay Band 3</b>
YC - STND Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YF - E&S Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YJ - MED Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15
YN - I&P Supvy / Mgr	GS-6 to 11	GS-12 to 14	GS-15

See Handbook for complete Conversion Table



## Within-Grade-Increase Buy-in

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- Prorated amount at conversion
- One-time buy-in
- WGI buy-in calculator is available in NSPS 101 (part of the conversion tool)
- Funds will become part of performance payouts and other pay increases

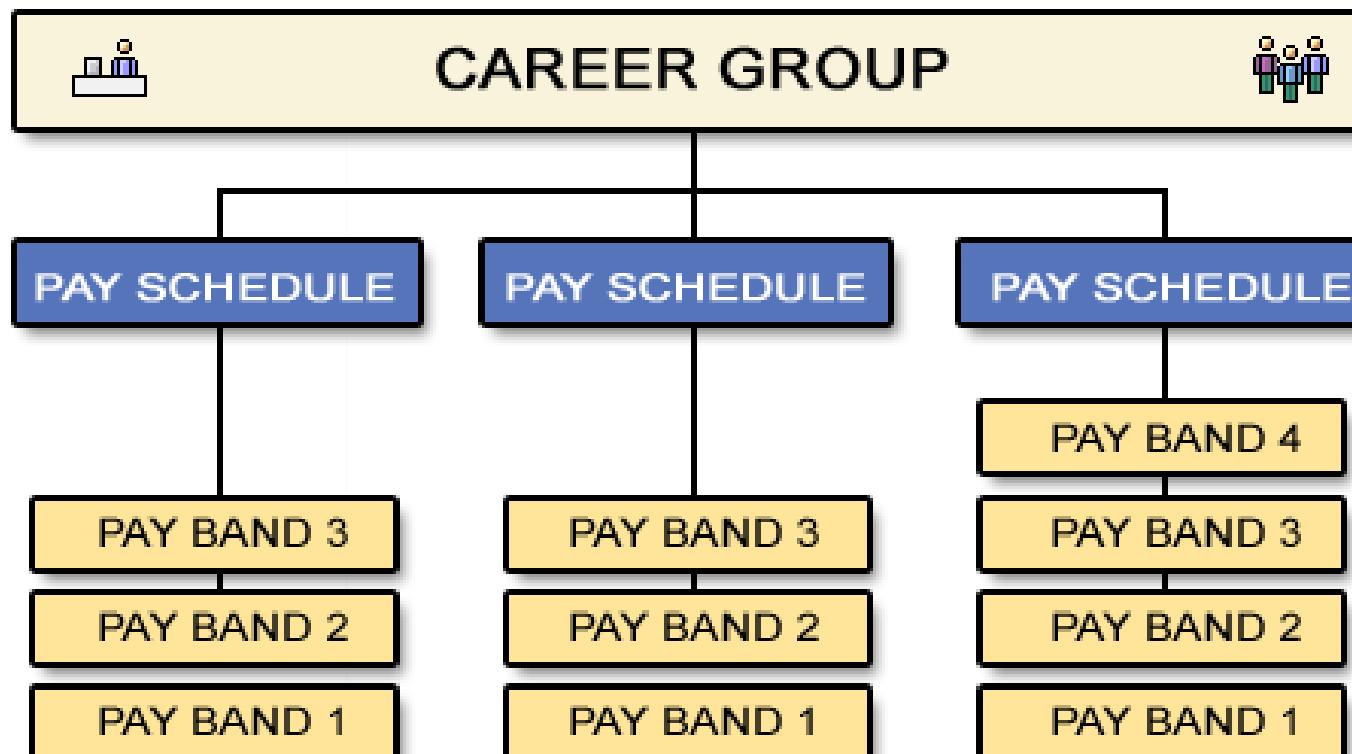


# GS vs. NSPS Classification

GS	NSPS
Occupational Family	Career Group
Pay Plan	Pay Schedule
Title	Title
Grade	Pay Band
Occupational Series (#)	Occupational Code (#)
Over 400 OPM GS Classification Standards	15 Standards



# NSPS Classification Structure





# Career Groups and Pay Schedules

<b>STANDARD CAREER GROUP</b> <ul style="list-style-type: none"><li>• Professional/Analytical (YA)</li><li>• Tech/Support (YB)</li><li>• Student Employment (YP)</li><li>• Supervisor/Manager (YC)</li></ul> <p>71% of DoD workforce</p>	<b>INVESTIGATIVE &amp; PROTECTIVE SERVICES CAREER GROUP</b> <ul style="list-style-type: none"><li>• Investigative (YK)</li><li>• Fire Protection (YL)</li><li>• Police/Guard (YM)</li><li>• Supervisor/Manager (YN)</li></ul> <p>6% of DoD workforce</p>
<b>MEDICAL CAREER GROUP</b> <ul style="list-style-type: none"><li>• Physician/Dentist (YG)</li><li>• Professional (YH)</li><li>• Tech/Support (YI)</li><li>• Supervisor/Manager (YJ)</li></ul> <p>5% of DoD workforce</p>	<b>ENGINEERING &amp; SCIENTIFIC CAREER GROUP</b> <ul style="list-style-type: none"><li>• Professional (YD)</li><li>• Tech/Support (YE)</li><li>• Supervisor/Manager (YF)</li></ul> <p>18% of DoD workforce</p>



# Standard Career Group

Professional/Analytical YA	Pay Band 1 \$25,195 - \$60,049	Pay Band 2 \$38,175 - \$85,578	Pay Band 3 \$74,608 - \$124,904	\$15,000	35,000	55,000	75,000	95,000	115,000	13
Technician/Support YB	Pay Band 1 \$16,352 - \$36,509	Pay Band 2 \$31,209 - \$54,649	Pay Band 3 \$46,189 - \$71,965	\$15,000	35,000	55,000	75,000	95,000	115,000	135
Supervisor/Manager YC	Pay Band 1 \$31,209 - \$60,049	Pay Band 2 \$55,360 - \$106,186	Pay Band 3 \$77,793 - \$124,904	\$15,000	35,000	55,000	75,000	95,000	115,000	135
Student YP	Pay Band 1 \$16,352 - \$60,049			\$15,000	35,000	55,000	75,000	95,000	115,000	135

# Key Classification Differences

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## GS

- Focus on Position
- Classification drives pay
- Requires seasoned classification judgment

## NSPS

- Focus on Person
- Performance drives pay
- Administrative decision based on what is:
  - Best for business
  - Most economic
  - Wisest use of taxpayer's dollars



# Pay Band Determination

## Pay schedules broken into pay bands

### Example: Standard Group Career (Professional/Analytical)

1	2	3
Entry Level / Developmental Pay Range: \$25,195 - \$60,049	Full Performance Level Pay Range: \$38,175 - \$85,578	Subject Matter Expert Pay Range: \$74,608 - \$124,904

- **Broad pay ranges provide flexibility**
- **Management - YOU ARE IN CONTROL!**
  - **Responsibility for position and financial management**



# Classification Appeals

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- Appeals
  - Under NSPS, employees are entitled to appeal the classification of their positions (just as before)
  - Employees may appeal any classification decision relating to their own position:
    - Title
    - Occupational code
    - Pay Band
    - Supervisory status
  - Distinction is that managers have made the classification decision



## Changing in Hiring and Employment: EXTERNAL RECRUITMENT

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- Eliminates rule of three
- Allows DoD to create new qualification standards
- Established new appointment authorities
- Modifies probationary periods
- May consider applicants in the local commuting area before all others



# Placement Programs Still in Effect

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Positions filled in accordance with the methods prescribed in:

- Federal Regulation (5 CFR 330)
  - Reemployment Priority List
  - Positions Restricted to Preference Eligibles
  - Interagency Career Transition Assistance Plan for Displaced Employees
- DoD PPP Operations Manual
  - Priority Placement Program



# Probationary Periods

- Longer probationary periods may be established by occupation
  - Critical to a performance-based system
- Two year probationary period established for certain excepted service positions
- One year with option for three years
  - For selected occupations
  - Determined by DoD
- Supervisors must still complete a 1-year probationary period



# Changing in Hiring and Employment: INTERNAL RECRUITMENT

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- Eliminates time-in-grade
- Establishes alternate forms of competition
- Changes / creates definitions for promotion, reassignment, reduction in band
- Changes time limits for temporary promotions - may be non-competitive up to 180 days
- Requires personnel actions to:
  - Change occupational code, pay schedule, pay band, pay pool, FLSA
  - Detail employees to another agency and/or Component
  - Temporarily reassign / detail employees to another pay system (GS)

# Workforce Shaping

- Army intends to retain current RIF / VSIP / VERA approval guidance
- Increased flexibility to realign, reorganize, and shape the workforce for organizational-based reasons
- Consistent with performance-based system
- New or revised concepts and procedures
  - Competitive area
  - Competitive group
  - Retention standing
  - Displacement procedures
  - Transfer of function
  - Tenure



# Compensation Overview

## SECDEF Decisions (Outside Pay Pool)

- Rate-Range Adjustments (to base pay)
- Local-Market Supplement (LMS)

## Performance-Based Pay (Inside Pay Pool)

- WGI
  - QSI
  - Promotions
  - Annual Bonuses
  - Portion of General Pay Increase (GPI)
- Money historically spent

## Incentive Awards (Outside Scope of NSPS)

- Special Act
- On-the-Spot
- Time Off



# Compensation under NSPS





# Local Market Supplement Example

## Engineering and Scientific Career Group Example

Worldwide Base Rate

+

Local Market  
Supplement

=

Total Pay

S&E CG, Prof PS - YD  
Pay Band 2  
\$38,175-\$85,578



Professional Engineer and Scientist

San Francisco LMS Rate  
25%

\$47,718-\$106,972

Mechanical Engineer

San Francisco LMS Rate  
32%

\$50,391-\$112,963

Electronic Engineer

San Francisco LMS Rate  
42%

\$54,208-\$121,520

Engineer Technician

San Francisco LMS  
Rate  
22%

\$76,542-\$104,405

S&E CG, Tech/Sup PS - YE  
Pay Band 4  
\$62,740 -\$85,578)



# Pay Setting

- Army will delegate pay setting approval authority to Commands / DRUs with supplemental guidance
- Pay setting determinations based on such factor as:
  - Level of work of the position
  - Labor market considerations (value and location of the job in the market)
  - Special requirements of a particular position
  - Level and relevancy of candidate's education and experience
  - Scarcity of qualified applicants
  - Program needs
  - Current salary of the candidate
  - Pay equity considerations



# New Compensation Role

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- Pay bands offer significant flexibility in setting and adjusting pay
- Optimum use of flexibility requires consideration of external pay alignment as well as internal
  - Major shift from past experience, which focused on internal grade alignment
  - Requires application of classification concepts and skills in different manner

*Cultural Change*



# Performance Management: Old vs. New

## Old (TAPES)

- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- Most employee ratings are level 1 (Army: 81% were level 1 in FY05)
- 120 day minimum rating period
- Senior rater approves ratings

## New (NSPS)

- Ratings based on **job objectives**
- **One** cycle (1 Oct – 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- Most employee ratings are anticipated to be **level 3** (valued performer)
- **90 day** minimum rating period
- **Pay Pool Manager** approves ratings



# NSPS Performance Management System

- Core Characteristics
  - Results-oriented, mission-focused
  - Clear and understandable (fair, credible, and transparent)
  - Direct link between pay and performance and mission accomplishment
  - Reflect meaningful distinctions in employee performance
  - Robust (capable of supporting pay decisions)
- Design Improvements
  - Job objectives -the “What”–are the primary focus
  - Manner of performance -the “How”–influence the objective rating
  - Simplified the design
  - Supervisors are rated on at least one supervisory objective



# Performance Expectations

- A broader definition of performance
- Performance expectations are communicated to employees and may include:
  - Goals or objectives that set general or specific performance targets at the individual, team and organization level
  - Organizational, occupational or other work requirements such as standard operating procedures, operating instructions, manuals, internal rules and directives and/or other instructions that are generally applicable and available to the employee
  - Competencies an employee is expected to demonstrate on the job and/or contributions an employee is expected to make
- Performance expectations will be communicated to the employee prior to holding the employee accountable
- Expectations will be promptly adjusted as changes occur



# Performance Payout

- Performance payout may be paid as a:
  - Base salary increase
  - Bonus
  - Combination of the two
- Considerations in deciding the distribution:
  - Position in pay band
  - Motivational effect
  - Salary and work in comparison with colleagues
  - Competitive market comparisons
  - Employees returning from overseas civilian service

# Reconsiderations

## **Employees may challenge:**

Performance rating

## **Employees may not challenge:**

Performance payout

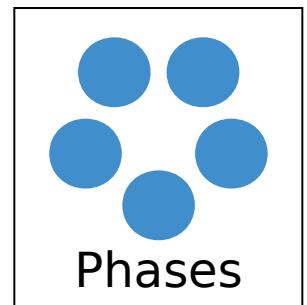
Number of shares

Value of shares

Distribution of payout



## 5-Phase Performance Management Cycle





# Who's Involved?

<b>Employee</b>	Keeps track of accomplishments, provides information to rating official, assists in establishing job objectives.
<b>Rating Official</b>	Immediate supervisor. Establishes job objectives and performance expectations, monitors performance, rates employees, recommends rating, shares, and distribution to second level reviewer and pay pool panel.
<b>Guest Rater</b>	Another person for whom the employee has worked during the rating cycle, e.g., on detail, who provides input to the rating official on an employee's performance.
<b>Second Level Reviewer</b>	Manager above supervisor. Reviews and adjusts recommended ratings, shares, and distribution from rating official(s).
<b>Pay Pool Panel</b>	Comprised of managers who review and recommend final ratings, shares, and distributions ("reconciliation") to the pay pool manager.
<b>Pay Pool Manager</b>	Senior manager who makes final decisions on all ratings, shares, and distributions. Appoints pay pool panel members and makes certification decisions.
<b>Performance Review Authority</b>	Higher level review body that looks into employee requests for reconsideration.

## Additional Resources

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- NSPS website:  
<http://www.cpms.osd.mil/nsps/>
- Army NSPS website:  
<http://cpol.army.mil/library/general/nsps/>
- Army NSPS training website:  
<http://www.chra.army.mil/NSPS-training/index.htm>
- Your Civilian Personnel Advisory Center